

STATE OF MISSOURI  
MISSOURI BOARD OF PHARMACY

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MISSOURI BOARD  
OF PHARMACY

IN RE:

AURO PHARMACIES, INC.  
d/b/a/ CENTRAL DRUGS  
520 W. La Habra Blvd.  
La Habra, CA 90631  
License No. 2009024959

Complaint No. 2017-002131

**SETTLEMENT AGREEMENT BETWEEN STATE BOARD OF  
PHARMACY AND AURO PHARMACIES, INC. D/B/A CENTRAL DRUGS**

COME NOW AURO PHARMACIES, Inc. d/b/a Central Drugs ("Respondent" or the "Pharmacy") and the Missouri Board of Pharmacy ("Board" or "Petitioner") and enter into this Settlement Agreement for the purpose of resolving the question of whether Respondent's permit to operate as a pharmacy will be subject to discipline.

Pursuant to the terms of Section 536.060, RSMo, the parties hereto waive the right to a hearing by the Administrative Hearing Commission of the State of Missouri ("AHC") and, additionally, the right to a disciplinary hearing before the Board under Section 621.110, RSMo, and stipulate and agree that a final disposition of this matter may be effectuated as described below.

Respondent acknowledges that it understands the various rights and privileges afforded it by law, including the right to a hearing of the charges against it; the right to appear and be represented by legal counsel; the right to have all charges against it proved upon the record by competent and substantial evidence; the right to cross-examine any witness appearing at the hearing against it; the right to a decision upon the record by a fair and impartial administrative hearing commissioner concerning the charges pending against it and, subsequently, the right to a disciplinary hearing before the Board at which time it may present evidence in mitigation of discipline; and the right to recover attorney's fees incurred in defending this action against its

permit. Being aware of these rights provided it by operation of law, Respondent knowingly and voluntarily waives each and every one of these rights and freely enters into this Settlement Agreement and agrees to abide by the terms of this document as they pertain to it.

Respondent acknowledges that it has received a copy of the draft complaint to be filed with the Administrative Hearing Commission, the investigative report, and other documents relied upon by the Board in determining there was cause for discipline against Respondent's permit.

For purposes of settling this dispute, Respondent stipulates that the factual allegations contained in this Settlement Agreement are true, stipulates with the Board that Respondent's license as a pharmacy, numbered 2009024959, is subject to disciplinary action by the Board in accordance with the provisions of Chapter 621 and Chapter 338, RSMo.

#### JOINT STIPULATION OF FACTS

1. The Missouri Board of Pharmacy is an agency of the State of Missouri created and established pursuant to §338.110, RSMo (2016),<sup>1</sup> for the purpose of executing and enforcing the provisions of Chapter 338, RSMo.

2. Auro Pharmacies, Inc. d/b/a Central Drugs, 520 W. La Habra Blvd, La Habra, CA 90631f is permitted by the Board under license number 2009024959. Respondent's license was at all times relevant herein current and active.

3. On January 29, 2014, the California Board issued a citation and fine to Respondent in Case No. CI 2012 54846.

4. On January 19, 2016, a modified citation and fine was issued pursuant to settlement in Case No. CI 2008 39038.

5. On or around August 3, 2018, the California State Board of Pharmacy ("California Board") issued a decision disciplining Respondent's California license by revoking Respondent's

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<sup>1</sup> All statutory references are the to the Revised Statutes of Missouri (2016) unless otherwise noted.

California licenses, but staying the revocation and placing Respondent on probation for a period of five (5) years until September 3, 2023.

6. Respondent notified the Missouri Board of Pharmacy of the discipline of Respondent's license by letter dated August 23, 2018.

7. As part of its findings, the California Board determined that Respondent committed the following violations:

A. Aiding and abetting an employee practicing as an unlicensed pharmacist technician who performed work for Respondent that required her to be licensed as a pharmacy technician – a violation of California licensure requirements;

i) This also constitutes a violation of 20 CSR § 2220-2.400(8)(A) and 20 CSR § 2220-2.200(3)(A).

B. Engaging in unprofessional conduct by failing to document end product testing for sterility and pyrogens for eight sets of batch-produced sterile injectable drug products compounded from one or more non-sterile ingredients and failed to quarantine these products until the end testing confirmed sterility and acceptable levels of pyrogens – a violation of California regulations governing sterile compounding;

8. The California Board is charged with administration and enforcement of the Pharmacy Law, Business and Professional Code section 4000, et seq.

#### JOINT CONCLUSIONS OF LAW

9. Cause exists to take disciplinary action against Respondent's pharmacy permit under 20 CSR § 2220-2.010(1)(0), which provides:

(0) When a pharmacy permit holder knows or should have known, within the usual and customary standards of conduct governing the operation of a pharmacy as defined in Chapter 338, RSMo, that an employee, licensed or unlicensed, has violated the pharmacy laws or rules, the permit holder shall be subject to discipline under Chapter 338, RSMo.

10. Cause also exists to take disciplinary action against Respondent's pharmacy permit under § 338.055.2(8) and (15), RSMo, which provides:

2. The board may cause a complaint to be filed with the administrative hearing commission as provided by chapter 621, RSMo, against any holder of any certificate of registration or authority, permit or license required by this chapter or any person who has failed to renew or has surrendered his or her certificate of registration or authority, permit or license for any one or any combination of the following causes:

\* \* \*

(8) Denial of licensure to an applicant or disciplinary action against an applicant or the holder of a license or other right to practice any profession regulated by this chapter granted by another state, territory, federal agency, or country whether or not voluntarily agreed to by the licensee or applicant, including, but not limited to, surrender of the license upon grounds for which denial or discipline is authorized in this state;

\* \* \*

(15) Violation of the drug laws or rules and regulations of this state, any other state or the federal government.

11. California Business and Professional Code § 4301 (j) and (o) and § 4115 (e) are substantially similar to § 338.055.2(15), RSMo.

12. Cause to discipline Respondent also exists under § 338.055.2(15), RSMo. in that the conduct forming the basis for the California Order is that the conduct violates the laws of the State of California.

#### JOINT AGREED DISCIPLINARY ORDER

Based upon the foregoing, the parties mutually agree and stipulate that the following shall constitute the disciplinary order entered by the Board in this matter under the authority of Section 621.045.3, RSMo:

1. Respondent's pharmacy license numbered 2009024959 shall be placed on PROBATION until SEPTEMBER 3, 2023 ("disciplinary period"). The period of probation shall constitute the disciplinary period. The terms of discipline shall be as follows:

- A. Respondent shall pay all required fees for licensing to the Board and shall renew its pharmacy license prior to October 31 of each licensing year.
- B. Respondent shall comply with all provisions of Chapter 338, Chapter 195, and all applicable federal and state drug laws, rules and regulations and with all federal and state criminal laws. "State" here includes the State of Missouri and all other states and territories of the United States.
- C. If requested, Respondent shall provide the Board a list of all licensed pharmacists employed by Respondent, and the individuals' current home addresses and telephone numbers
- D. If, after disciplinary sanctions have been imposed, the Respondent fails to keep its pharmacy license current, the period of unlicensed status shall not be deemed or taken as any part of the time of discipline so imposed.
- E. Respondent shall report to the Board, on a preprinted form supplied by the Board office, once every six (6) months (due by each January 1 and July 1), beginning with whichever date occurs first after this Agreement becomes effective, stating truthfully whether or not it has complied with all terms and conditions of its disciplinary order.
- F. Respondent shall not serve as an intern training facility for interns.
- G. Respondent shall make a representative of the pharmacy available for personal interviews to be conducted by a member of the Board or the Board of Pharmacy staff. Said meetings will be at the Board's discretion and may occur periodically during the disciplinary period. Respondent will be notified and given sufficient time to arrange these meetings.
- H. Respondent's failure to comply with any condition of discipline set forth herein constitutes a violation of this disciplinary Agreement.
- I. The parties to this Agreement understand that the Board of Pharmacy will maintain this Agreement as an open record of the Board as provided in Chapters 324, 338, 610, RSMo.

2. Upon the expiration of said discipline, Respondent's license as a pharmacy in Missouri shall be fully restored if all other requirements of law have been satisfied provided, however, that in the event the Board determines that the Respondent has violated any term or

condition of this Settlement Agreement, the Board may, in its discretion, after an evidentiary hearing, vacate and set aside the discipline imposed herein and may suspend, revoke, or otherwise lawfully discipline the Respondent.

3. No order shall be entered by the Board pursuant to the preceding paragraph of this Settlement Agreement without notice and an opportunity for hearing before the Board in accordance with the provisions of Chapter 536, RSMo.

4. If the Board determines that Respondent has violated a term or condition of this Settlement Agreement, which violation would also be actionable in a proceeding before the Administrative Hearing Commission or the circuit court, the Board may elect to pursue any lawful remedies or procedures afforded it and is not bound by this Settlement Agreement in its determination of appropriate legal actions concerning that violation. If any alleged violation of this Settlement Agreement occurred during the disciplinary period, the Board may choose to conduct a hearing before it either during the disciplinary period, or as soon thereafter as a hearing can be held to determine whether a violation occurred and, if so, it may impose further discipline. The Board retains jurisdiction to hold a hearing to determine if a violation of this Settlement Agreement has occurred.

5. The terms of this Settlement Agreement are contractual, legally enforceable, binding, and not merely recitals. Except as otherwise contained herein, neither this Settlement Agreement nor any of its provisions may be changed, waived, discharged, or terminated, except by an instrument in writing signed by the party against whom the enforcement of the change, waiver, discharge, or termination is sought.

6. Respondent hereby waives and releases the Board, its members and any of its employees, agents, or attorneys, including any former board members, employees, agents, and attorneys, of, or from, any liability, claim, actions, causes of action, fees, costs, and expenses, and compensation, including, but not limited to, any claims for attorney's fees and expenses, including

any claims pursuant to Section 536.087, RSMo, or any claim arising under 42 U.S.C. §1983, which may be based upon, arise out of, or relate to any of the matters raised in this litigation, or from the negotiation or execution of this Settlement Agreement. The parties acknowledge that this paragraph is severable from the remaining portions of this Settlement Agreement in that it survives in perpetuity even in the event that any court of law deems this Settlement Agreement or any portion thereof void or unenforceable.

**RESPONDENT, AS EVIDENCED BY THE INITIALS ON THE APPROPRIATE LINE,**

\_\_\_\_\_ **REQUESTS**

✓ \_\_\_\_\_ **DOES NOT REQUEST**


**THE ADMINISTRATIVE HEARING COMMISSION TO DETERMINE IF THE FACTS SET FORTH HEREIN ARE GROUNDS FOR DISCIPLINING RESPONDENT'S PERMIT TO OPERATE AS A PHARMACY.**

Respondent understands that it may, either at the time the Settlement Agreement is signed by all parties, or within fifteen (15) days thereafter, submit the Settlement Agreement to the Administrative Hearing Commission for determination that the facts agreed to by the parties constitute grounds for disciplining Respondent's permit. If Respondent desires the Administrative Hearing Commission to review this Agreement, it may submit its request to: Administrative Hearing Commission, Truman State Office Building, Room 640, 301 W. High Street, P.O. Box 1557, Jefferson City, Missouri 65101.

If Respondent has not requested review by the Administrative Hearing Commission, the Settlement Agreement goes into effect fifteen (15) days after the document is signed by the Board's Executive Director.

RESPONDENT

AURO PHARMACIES, INC. d/b/a  
CENTRAL DRUGS

By:   
NAYAN PATEL, As Auth Agent for  
AURO PHARMACIES, INC. d/b/a  
CENTRAL DRUGS


Date: 2/27/19

PETITIONER

MISSOURI BOARD OF PHARMACY

By:   
Kimberly Grinston  
Executive Director

 3/12/19  
TGH LITIGATION LLC

By:   
Joanna Trachtenberg, #63298  
28 N. 8th St., Suite 500  
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*Attorneys for Missouri Board of  
Pharmacy*